



News Release

Media Relations Office

Washington, D.C.

Media Contact: 202.622.4000

www.irs.gov/newsroom

Public Contact: 800.829.1040

IRS Issues Spring 2006 Statistics of Income Bulletin

IR-2006-113, July 18, 2006

WASHINGTON — The Internal Revenue Service today announced the release of the Spring 2006 issue of the Statistics of Income Bulletin. For the first time, the Bulletin takes a detailed look at individual noncash charitable contributions.

The Spring Bulletin also includes information about high-income individual income tax returns for Tax Year 2003, S corporation returns for Tax Year 2003, split-interest trusts for Filing Year 2004, controlled foreign corporations (CFCs) for Tax Year 2002, and the accumulation and distribution of Individual Retirement Arrangements (IRAs) for Tax Years 2001-2002.

Of the 130,423,626 individual income tax returns filed for Tax Year 2003, there were 2,536,439 returns reporting adjusted gross income of \$200,000 or more and 2,573,133 with expanded income of \$200,000 or more.

In addition, the Bulletin contains articles with the following information:

- For Tax Year 2003, individuals reported noncash donations valued at \$36.9 billion on Form 8283, Noncash Charitable Contribution. This is the form used by individual taxpayers when the amount of taxpayer deductions for all noncash donations on Schedule A, Itemized Deductions, exceeds \$500. Of these noncash donations, corporate stock was the largest type, with 37.2 percent of the total value deducted. The average value of these stock donations was \$79,279 per return. The largest number of donations reported on this form was for clothing, representing 48.0 percent of all donations. For donations where the organizational type was recorded, the largest amount was donated to foundations, which received 31.1 percent of donations.
- A total of nearly 3.3 million S corporation returns were filed for Tax Year 2003, an increase of 5.9 percent from Tax Year 2002. S corporations continue to be the single most popular corporate entity choice representing 61.9 percent of all corporate entities. The number of shareholders for S corporations increased to nearly 5.8 million, up 2.9 percent from the previous year. Total net income (less deficit) reported by S corporations increased to \$213.7 billion for Tax Year 2003 from \$183.5 billion reported for Tax Year 2002. Nearly two-thirds, 62.7 percent of all S corporations, reported positive total net income. Total assets increased \$169.9 billion to \$2,186.6 billion for Tax Year 2003. Less than one quarter of 1.0 percent of all S corporations reported federal tax liability, for a total tax liability of \$380.9 million.

- A total of 123,205 split-interest trust information returns were filed in Filing Year 2004, an increase of 1.6 percent from Filing Year 2003. The largest group of trusts, charitable remainder unitrusts (CRUTs), increased by 1,958 returns from the previous filing year. The number of returns filed for pooled income funds decreased by 5.0 percent from 2003 to 2004. Total net income reported for charitable remainder trusts decreased by 0.4 percent from 2003 to 2004. Net long-term capital gains made up the largest percentage of total net income reported for Charitable Remainder Annuity Trusts (CRATs) and CRUTs. In Filing Year 2004, charitable remainder trust returns reported \$64.0 billion in total accumulations and \$6.9 billion in distributions.
- For Tax Year 2002, the 7,500 largest foreign corporations controlled by large U.S. multinational corporations held \$5.8 trillion in assets and reported receipts of \$2.3 trillion. About 79.2 percent, or 5,938, of the 7,500 largest CFCs for Tax Year 2002 were concentrated in goods production (28.9 percent), services (26.1 percent) and the finance, insurance and real estate rental and leasing (24.2 percent) sectors. Approximately 52.5 percent, or 3,939, of the 7,500 largest CFCs were incorporated in Europe, which accounted for 61.9 percent of end-of-year assets, 55.7 percent of total receipts, and 57.6 percent of earnings and profits (less deficit) before income taxes. About 91.1 percent of these European CFCs were located in European Union countries.
- For Tax Year 2002, individual income taxpayers contributed approximately \$42.3 billion to IRAs. This represented an 18.3-percent increase over the contributions for 2001. In addition, \$204.4 billion came into IRAs during 2002 as rollovers, usually from employer-sponsored plans (such as 401(k) plans). These rollovers represented an 8.8-percent increase over rollovers for 2001. In spite of the increase in funds flowing into IRAs for 2002, the yearend fair market value of those arrangements fell from just over \$2.6 trillion for 2001 to just over \$2.5 trillion for 2002. For 2002, over one-third (\$14.8 billion) of the \$42.3 billion in contributions was deductible. Also in 2002, more than 3.9 million taxpayers rolled over \$204.4 billion to IRA plans, up from \$187.8 billion in 2001. Along with that, \$3.3 billion were converted from traditional IRAs into Roth IRAs.

The Bulletin includes historical data on income, deductions and tax reported on returns filed by individuals, corporations and unincorporated businesses, with selected data presented for estates. In addition, this issue presents the annual individual income tax return statistics by state for returns filed for Tax Year 2004. Statistics are also presented on tax collections, including excise taxes by type, and refunds for recent years.

The Statistics of Income Bulletin is available from the Superintendent of Documents, U.S. Government Printing Office, P.O. Box 371954, Pittsburgh, PA 15250-7954. The annual subscription rate is \$53 (\$74.20 foreign), single issues cost \$39 (\$48.75 foreign). For more information about these data, write the Director, Statistics of Income (SOI) Division, RAS:S, Internal Revenue Service, P.O. Box 2608, Washington, DC 20013-2608; call the SOI Statistical Information Services office at (202) 874-0410; or fax, (202) 874-0964. To access the Spring 2006 Statistics of Income Bulletin, go to <http://www.irs.gov/taxstats/article/0,,id=117514,00.html>